NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT IS made this QUULIST

described land, hereinafter called leased premises:

## PAID UP OIL AND GAS LEASE (No Surface Use)

whose addresss is 3849 KINGA STEET FORT WORTH TEXTS 7619 as Lessor, and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following

2009, by and between

TAIRRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLANT ECONOME IN YOU. UNITED THAT CERTAIN PLANT ECONOME IN YOU. WE ARRANT COUNTY, TEXAS, CONTINUED THAT CERTAIN PLANT ECONOME IN YOU. WE ARRANT COUNTY, TEXAS, CONTINUED THAT CERTAIN PLANT ECONOME IN YOU. WE ARRANT COUNTY, TEXAS, CONTINUED THAT CERTAIN PLANT ECONOME IN YOU. WE ARRANT COUNTY, TEXAS, CONTINUED THAT CERTAIN PLANT ECONOME IN YOU. WE ARRANT COUNTY, TEXAS, CONTINUED THAT CERTAIN PLANT ECONOME IN YOU. WE ARRANT COUNTY, TEXAS, CONTINUED THAT CERTAIN PLANT ECONOME IN YOU. WE ARRANT COUNTY, TEXAS, CONTINUED THAT CERTAIN PLANT ECONOME IN YOU. WE ARRANT COUNTY, TEXAS, CONTINUED THAT CERTAIN PLANT EXPOSE AND ARRANT COUNTY, TEXAS, CONTINUED THAT CERTAIN PLANT ARRANT COUNTY, TEXAS, CONTINUED THAT COUNTY, TEXAS, CONTINUED THAT COUNTY, TEXAS, CONTINUED THAT COUNTY, TEXAS, CONTINUED THAT COUNTY, TEXAS, CONTIN	3203 ACRES OF LAND, MORE OR LE	SS. BEING LOT(S)	14	,BLOCK	4
in the County of Tall and the sun of TEXAS, containing	OUT OF THE INLIECTURES				THE CITY OF
the factory of Tarrant Status of TEACS, containing					
newstarp, resectation or offerwisely, for the purpose of exploying activation operations.) In the mit got a sust on the production and not hydrocation and activation and activation of the production of the prod	IN VOLUME 388-P, PAGE	<u>nd</u> o	F THE PLAT RECOR	IDS OF TARRANT COUNTY, T	EXAS.
as large districtance and other substances covered hereby are produced in paying quantities from the issued premises or from lands pooled therewith or this lease is otherwise maintained in refed payars which the provided and the part of the payars and the payar	reversion, prescription or otherwise), for the purpose of a substances produced in association therewith (including commercial gases, as well as hydrocarbon gases. In add land now or hereafter owned by Lessor which are contigue Lessor agrees to execute at Lessee's request any additions	exploring for, developing, proc geophysical/seismic operation between to the above-described in the above- al or supplemental instruments	lucing and marketing oil a ons). The term "gas" as eased premises, this lease described leased premises ifor a more complete or ac	nd gas, along with all hydrocarbon and used herein includes hellum, carbon of also covers accretions and any small s , and, in consideration of the aforementi- curate description of the land so covered	non hydrocarbon dioxide and other strips or parcels of loned cash bonus, f. For the purpose
otherwise meintained in effect pursuant to the provisions hence.  3. Royalises on cili, gas and other substances produced and several hypoproduced shall be paid by Lessee to Lessee's expension featilises, the royality shall be Till. Ex. 1. Y. — P.	<ol><li>This lease, which is a "paid-up" lease requiring no as long thereafter as oil or gas or other substances covere</li></ol>	rentals, shall be in force for a d hereby are produced in payi	primary term of FIVE		
6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or not completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a per secretal per	otherwise maintained in effect pursuant to the provisions he 3. Royalties on oil, gas and other substances produseparated at Lessee's separator facilities, the royalty sha Lessor at the wellhead or to Lessor's credit at the oil purch the wellhead market price then prevailing in the same field prevailing price) for production of similar grade and grade an	areof.  ced and saved hereunder shall be The April 19 - Pile 19 -	all be pald by Lessee to Le  (LE)   (LESSEE Sha  I then prevailing in the san  I then pald for production of  I alling price) pursuant to co  I and (c) if at the end of the  I or other substances covered  I or other substances covered  I or other substances covered  I or or before each anniversicase is otherwise being or  I shut in royally shall be due  I or or to Lesser's credit in a  I ship of said land. All payme  Malls in a stamped envelop  I date or be succeeded by a  I ship of said land. All payme  Malls in a stamped envelop  I date or be succeeded by  I then in the event this  I well or for drilling an additi-  I rations on such dry hole or  I maintained in force but I  I all remain in force so long a  I a production of oil or gas of  I with. After completion of  I or unantities on the leased	assor as follows: (a) For oil and other lice of such production, to be delivered at Lell have the continuing right to purchase some field, then in the nearest field in which other substances covered hereby, the same field, then in the nearest field in which other substances covered hereby, the same field of the substances covered hereby, the same field (or if the same field (or if the primary term or any time thereafter one of the primary term or any time thereafter one of the hereby in paying quantities or such well or wells are shut-in or production payment to be made to Lessor or to Lesary of the end of said 90-day period while the primary term of the sold period onexter and the end of the 90-day period next for until the end of the 90-day period next for the end of the 90-day period next for the end of the depository or to the mount due, but shall not operate to terminate lessor's address above or its successation of the restitution as depository agent to recover a production of the end of the depository agent to recover a production of the end of the depository agent to recover a production of the end of the depository agent to recover a production of the end of the depository agent to recover a production of the end of the end of the depository agent to recover a production of the end of the end of the depository agent to recover a production of a case is not otherwise being maintaine on the end of the end of such operations are any one or more of such operations are well capable of producing in paying quantities of the end of such operations are well capable of producing in paying quantities of the end of such operations are the end of the producing in paying quantities of the end of such operations are the end of the producing in paying quantities of the end of such operations are the end of the producing in paying quantities of the end of the producing in paying quantities the end of the producing in paying quantities and the producing in paying quantities and the producing in paying quantities and the	quid hydrocarbons Lessee's option to such production at the there is such a e royalty shall be es and production, i.that Lessee shall re is no such price to on the same or e or more wells on ells are waiting on elss be deemed to n there from is not ssor's credit in the le the well or wells n is being sold by following cessation nate this lease. essors, which shall or by check or by Lessor at the last or refuse to accept ceive payments. sie') on the leased of unit boundaries ad in force it shall estoring production all production. If at rking or any other re prosecuted with long thereafter as entillies hereunder, allar circumstances (b) to protect the
such part of the leased premises.	additional wells except as expressly provided herein.  6. Lessee shall have the right but not the obligation depths or zones, and as to any or all substances covered proper to do so in order to prudently develop or operate the unit formed by such pooling for an oil well which is not a historizontal completion shall not exceed 640 acres plus a micrompletion to conform to any well spacing or density patter of the foregoing, the terms "oil well" and "gas well" shall his prescribed, "oil well" means a well with an initial gas-oil ratifect or more per barrel, based on 24-hour production to equipment; and the term "horizontal completion" means a component thereof. In exercising its pooling rights hereu production, drilling or reworking operations anywhere on reworking operations on the leased premises, except that net acreage covered by this lease and included in the unit series. Prooling in one or more instances shall not exhaust in the micromed hereunder by expansion or contraction or bot prescribed or permitted by the governmental authority has making such a revision, Lessee shall file of record a writte leased premises is included in or excluded from the unit be adjusted accordingly. In the absence of production in particular and stating the data.  7. If Lessor owns less than the full mineral estate in of the leased premises or lands pooled therewith shall be reserved.	to pool all or any part of the dipy this tease, either before a leased premises, whether or orizontal completion shall not aximum acreage tolerance of in that may be prescribed or pave the meanings prescribed to of less than 100,000 cubic first conducted under normal an oil well in which the horizon oil well in which the horizon der, Lessee shall file of recording the production on which Lesse it bears to the total gross acrest Lessee's pooling rights her the, either before or after comping jurisdiction, or to conform declaration describing the my virtue of such revision, the paying quantities from a unit, of er of termination. Pooling here	leased premises or interest or after the commencement of the commence of the commence of the commence of the component of conduction of the component constitute and co	st therein with any other lands or interest of production, whenever Lessee deen by exists with respect to such other lands eximum acreage tolerance of 10%, and it unit may be formed for an oil well or gas intal authority having jurisdiction to do so periopriate governmental authority, or, if "means a well with an initial gas-oil rating standard lease separator facilities or pross completion interval in facilities or pross completion interval in the reservoir execribing the unit and staling the effective mises shall be treated as if it were proposed by the extent such proportion of unit proto the extent such proportion of unit proto the extent such proportion of unit proto the extent such proportion of the obligin order to conform to the well spacing a determination made by such government of the extent in on which royalties are payable hereund in thereof, Lessee may terminate the unit is cross-conveyance of interests.	is, as to any or all me it necessary or a or interests. The for a gas well or a swell or a swell or horizontal or for the purpose no definition is so of 100,000 cubic equivalent testing equivalent testing equivalent testing exceeds the vertical ed data of pooling, duction, drilling or oduction which the oduction is sold by attorn ental authority. In any portion of the der shall thereafter the filling of recording well on any part

B. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be britting of Lessee until to days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has eatisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalities hereunder, Lessee may pay or tender such shut-in royalities to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalities hereunder, Lessee may pay or tender such shut-in royalities to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hareunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferse to satisfy such obligations, with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalities hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalities shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, state, treat and/or transport production. Lessee may use it such operations, free or took, any oil, gas, water and/or other substances produced in the teased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lends in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased

writing, Lessee shall buty its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn how on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers are carriers to take or transport such production, or by any other cause not reasonable within Lessee's obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof.

Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lesser is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon

resolve loss covering any or all of the substances covering the lease and covering an or a position of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and

written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee falls to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of fand and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease. Lessee shall not have any rights to use the surface of the leased premises for drilling or other

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Bophy La Buckley Boppyhee Buchley Mandei Buck Ley ACKNOWLEDGMENT TEXCIS STATE OF COUNTY OF Jarrant This instrument was acknowledged before me on the ETSEN BODDY LEEBUCKLEY and WIFE Plandie Buckley KD KISHA G. PACKER POLK Notary Public, State of Texas My Commission Expires Notary Public, State of TEXCIS
Notary's name (printed): VISHA & PCCC KEV-POIK
Notary's commission expires: COPVII 15, 2012 April 15, 2012 STATE OF COUNTY OF 2009. This instrument was acknowledged before me on the day of



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

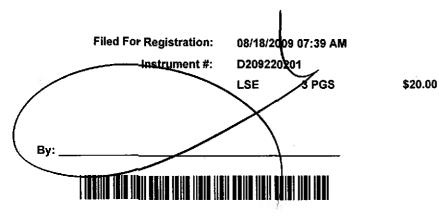
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D209220201

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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